

Finance Manual
Water and Livelihoods Foundation (WLF)

Water and Livelihoods Foundation (WLF) is a Public Trust registered under the Indian Trusts Act on 16th June 2016 at Secunderabad, India. This manual describes financial systems and controls in place in WLF for effective management of its funds towards contributing to its stated vision.

Registered office of WLF

The registered office of WLF is at 12-13-451, Street No.1, Tarnaka, Secunderabad – 500017, Telangana. Phone: +91 40 27014467, Email: wlfoundation@outlook.com

Board Of Trustees

The founding Trustees of WLF are:

- | | |
|-------------------------|-------------------------|
| 1. Sri Udayashankar C. | Trustee and Chairperson |
| 2. Sri Sreekumar N. | Trustee |
| 3. Sri Someshwer Rao V. | Trustee |

The BoT may add more Trustees, retire some Trustees and / or elect a new Chairperson as per the Trust Deed of the organization in future. All the changes in the composition of BoT will be recorded in the minutes of the BoT meetings.

Registration details

Registered as a Public Trust with reg. no. 74/2016 (Book IV), dated 16.06.2016

Various statutory / legal registrations and details of bank accounts are given in Annexure –
1. Renewals, registration and changes in bank accounts may take place from time to time.

Accounting Year

WLF follows the financial year as the accounting year i.e. 1st April to 31st March

Statutory Auditor

As on date, Sampath and Ramesh Chartered Accountants, Hyderabad are appointed as statutory auditors. Later on, the extension of appointment or appointment of new auditor may be done by the BoT for chosen periods. The BoT may seek the services of an internal auditors and engage project auditors for specific projects, if required.

The policies and procedures contained in this manual are designed to provide WLF the tools needed to effectively manage the financial resources. The provisions in this manual are to be used in connection with other policies and procedures as devised and modified from time to time by WLF. WLF reserve the right, as its sole discretion, to change,

modify, amend, apply, add or remove extracts, portions or the whole policy at any time without prior information.

1. GOVERNANCE STRUCTURE

1.1. Board of Trustees

The Board of Trustees (BoT) of WLF may consist of a maximum of seven Indian nationals with a term of three years with possible renewal. The Trustees elect a Chairperson from among themselves. The Executive Director of WLF is an ex-officio member of the BoT and Convenor of all the BoT meetings. The Trustees are drawn from diverse backgrounds and expertise. Appointment of new members or changes in the constitution of the BoT are recorded in the Minutes of BoT. The BoT shall meet at least once in a year, with scope for more frequent meetings as and when necessary.

1.2. Finance Committee (FC)

The BoT may constitute in future, a Finance Committee comprising of trustees, external expert, Executive Director and selected staff to assist the Board on all matters relating to financial management of WLF. The function of FC is to advice the BoT on all financial management matters.

1.3. Executive Director (ED)

Executive Director is the Chief Functionary (CF) of the organization and ex-officio member of the Board. BoT appoints the ED normally for a period of three years. The ED is expected to provide leadership to the staff and plan WLF work and programmes. The ED will also be responsible for the recruitment of staff and their development. The ED will be the link between the Board and staff. ED is responsible for all the compliances, legal and otherwise. He is also one of the signatories for bank operations along with a Trustee and Staff. The Executive Director convenes the FC and BoT meetings in consultation with the Chairperson and Trustees.

1.4. Major Financial and Non-financial Responsibilities

It is recognized that it is important to delegate financial and non-financial authority and responsibilities to the key persons for smooth function of organization. The following table outlines major financial and non-financial responsibilities and authority as approved by the Board of Trustees. These have to be exercised within the framework of the financial systems and processes as defined in this manual.

Non-financial responsibility and authority:

<ul style="list-style-type: none"> ● Formulation and approval of policies, rules and regulations ● Over-sight on organizational activities vis-à-vis the vision and objectives of the organization ● Review of internal financial management systems and controls 	BoT
<ul style="list-style-type: none"> ● Signing of appointment and termination orders of the Executive Director 	Chairperson of the BoT
<ul style="list-style-type: none"> ● Signing of organizational audited financial statements 	Chairperson and Executive Director

<ul style="list-style-type: none"> Conflict of Interest related matters 	BoT and Executive Director
<ul style="list-style-type: none"> Selection of staff at the level of Sr. Coordinator, for both development action unit and finance & admin unit 	BoT and Executive Director
<ul style="list-style-type: none"> Selection of all other staff in the organization 	Executive Director
<ul style="list-style-type: none"> Implementation of various policies approved by BoT Signing of staff appointments and termination orders of all other staff Signing statutory returns of IT and FC and project-wise audit statements Grant agreements, MoUs, contracts and release of funds to partners Signing of donor agreements and reports Signing of TDS forms to staff, consultants & contractors 	Executive Director

Financial Responsibility and Authority:

<ul style="list-style-type: none"> Travel and program advances to the ED 	Executive Director
<ul style="list-style-type: none"> Travel and program advance to all other staff 	Verification by line coordinator and approval by ED
<ul style="list-style-type: none"> Travel and program advance settlement 	Verification by line coordinator and approval by ED
<ul style="list-style-type: none"> Making and redeeming of approved bank deposits and investments 	Executive Director
<ul style="list-style-type: none"> Payments against grant contracts, budgeted program expenditure and procurements 	Proposed by respective project staff, verified by respective line coordination and approved by ED
<ul style="list-style-type: none"> Office expenditures, salaries, consultancy payments, office maintenance, travel agencies & rental agreements 	Proposed and verified by the finance staff and approved by ED
<ul style="list-style-type: none"> Authorized signatures on vouchers 	Verified by senior finance staff and approved by ED
<ul style="list-style-type: none"> Bank account operations 	One of the Trustees, Executive Director and one staff

All the other minor financial and non-financial responsibilities and authority that are not listed above are held by the Executive Director.

2. Significant Accounting Policies

2.1. Basic Principles

- WLF will follow fund-based accounting, and all the ledger heads are created as per the approved budgets
- WLF will follow cash-based accounting system for maintaining the books of accounts and for preparing financial statements, unless any particular donor demands for other kinds of systems, such as accrual-based systems
- Each fund and restricted project undertaken on behalf of donor agencies is treated as a separate Fiscal Entity. The assets/liabilities and the income and expenditures pertaining to each Fiscal Entity are separately managed and recorded.
- No notional expenditures are booked in any of the restricted funds of the

organization

- All transactions are recorded at cost price. Any fluctuations in the market value are not accounted for.
- All transactions will be recorded in monetary terms. Quantification of non-cash aspects are done as per the approved procedures.
- Accounting policies shall be applied consistently from one accounting period to another.

2.2. Investments

All investments of WLF shall be as per the provisions of the Income Tax Act, 1961 and its amendments time to time. The investments shall be valued at cost, and in case the market value of the investments falls below the cost price then suitable disclosures will be made in the financial statements

2.3. Fixed assets

- All fixed assets shall be recorded at purchase price plus any attributable cost of bringing the asset to its working condition. The assets procured out of the general fund or other funds belonging to WLF shall be treated as general category assets. The assets purchased out of project funds or restricted funds shall be treated as project assets.
- Donated assets shall be recorded at a nominal value. Such value shall be reflected in the balance sheet by creation of a corresponding capital reserve on the liabilities side. Fixed assets which are charged off, as expenditure in the income and expenditure account, shall be reflected in the asset side of the balance sheet by creation of a capital reserve.
- The project assets shall be treated according to the terms of the project agreement. In the absence of any clause pertaining to treatment to fixed assets in the project agreement, the assets shall be converted into general assets after the closure of the project.
- Depreciation on fixed assets shall be provided on a systematic basis for each accounting period throughout the useful life of the asset as per the rates prescribed by the Income Tax Act, 1961 and its amendments time to time.

2.4. Foreign Exchange Transactions

Transactions in foreign currencies are recorded at exchange rates, prevailing on the date of transactions. In case there is no exchange rate specified from donor side, the exchange rate to be used for determining utilization would be the average exchange rate at which the money was received from the donor. In case of multiple tranches received and/ or balances carried forward to subsequent years, a weighted average rate would be used to avoid incurring exchange gain / loss on exchange.

2.5. Sources of Revenue

WLF mobilizes resources for its operations and developmental activities from the following sources:

- Grants received from foreign / domestic donors for projects to be directly implemented by WLF. In such cases, all restricted project grants shall be credited to a specified restricted fund and shall not be treated as income.
- Grants received from foreign / domestic donor for projects to be implemented by project partners. In such cases, all restricted project grants shall be credited to specified project partners restricted funds and shall not be treated as income.
- Voluntary contributions received from International and Domestic individual or institutional donors and interest earned on such contributions shall be treated as income of the Trust. Such Voluntary contributions shall be applied for the objectives of the Trust and may also be accumulated as per the provisions of the prevailing laws.
- Corpus contributions received from foreign and domestic donors shall not be treated as income of the Trust. Such corpus contributions shall be credited to the corpus fund and shall permanently remain with the organization
- Income generated from consultancies shall be treated as income of the Trust. Such income shall be treated on par with other voluntary contributions received and shall be applied for the objectives of the Trust and may also be accumulated as per the provisions of the prevailing laws.

2.6. Cash holding limit

Cash balances are always maintained at bare minimum level and physical cash balances are frequently verified by the auditors / members of the F & A Unit. WLF will not maintain cash of more than Rs. 5,000 (or) as per the prevailing laws at any given point in time.

2.7. Rental / Lease Agreements

WLF shall enter into formal rental / lease agreements with the landlord where office space / equipment / machinery is taken on rent / lease, and documentary evidence shall be made available on demand.

2.8. Insurance of movable and immovable assets

Insurance of all movable and immovable assets is required to be made and renewed regularly. The type of insurance cover required for various types of assets shall be determined by the BoT from time to time. Computer and other electrical instruments shall be protected through Annual Maintenance Contracts (AMCs), if necessary.

2.9. Maintenance of past records

All financial records of WLF are retained for a period of 7 years after the end of the financial year to which they pertain. If any bilateral grant agreements or statutory regulations from time to time determine preserving records for more than this period, WLF will do so. Till

such period, all the financial records including the books of account are stored in an easily accessible manner, properly labelled and numbered. All the vouchers are properly bound in a chronological order.

3. Accounting System

The accounting function is centralized at the WLF office level. In case of field or project offices elsewhere, basic accounting records and registers are also maintained. The accounting system at WLF is computerized, using the Tally accounting software. Following are the major features of the accounting system at WLF:

3.1. Structuring of the accounts

3.1.1. Chart of Accounts

- Definition: A listing of all accounts used by WLF to record financial transactions.
- Categories:
 - Assets: Cash, Grants and Accounts Receivable, etc.
 - Liabilities: Accounts Payable, Restricted Grants, Loans, etc.
 - Revenue: Donations, Consultancy Income, etc.
 - Expenses: Rent, Salaries, Utilities, etc.

3.1.2. General Ledger

- Definition: The primary accounting record where all financial transactions are recorded. It includes all the accounts from the chart of accounts. (Annexure - 4 Chart of accounts of the organisation)
- Function: It tracks the balances of each account and provides a summary of financial activity

Since the funding of WLF comprises of grants from donors, separate groups/ cost categories are maintained for the funds received and utilized from various funding agencies. Under each donor group/cost categories separate cost centres / ledgers and sub-ledgers are created which are structures as per the budget heads and sub-budget heads of the individual projects. This facilitates tracking, monitoring and reporting of donor expenses. In addition, cost centres are also created which are structured as per generic expenditure heads, so as to additionally facilitate expenditure head wise tracking and analysis.

3.2. Data Entry

Accounting data pertaining is entered into the accounting software on a daily basis. The accounting entries pertaining to any month, including those for field level expenses are completed by the 15th of the following month, after which the accounts for the month are “frozen”. Rectification entries are passed to amend any data that has already been entered

3.3. Generation of reports:

At the end of every quarter, the following printouts are taken:

- Bank Book
- Expenditure ledgers

- Project ledgers
- Trial Balance as on the last day of the quarter

On an annual basis, after the completion of the statutory audit, the complete books of account including the detailed ledgers and journal books are printed in hard form and such books are retained in files.

3.4. Data Security

WLF ensures that a proper system for data security is followed. This is required in order to ensure that there is no loss of crucial accounting information as a result of any unexpected media corruption, hardware problem in the computer, accidents in the office or unauthorized modification of information.

All accounting information is password protected. Each user (member of the finance and admin unit) is provided with a unique ID and password. The accounting data is backed up on an external hard disk on a regular basis.

3.5. Accounting Process

Following are the steps followed in accounting a financial transaction at WLF:

- Check Budget Availability
- Voucher and supporting documents
- Verification
- Approval
- Filing of vouchers in chronological order
- Enter in the Tally software

All such financial transactions are accumulated and following steps are followed to file, store and for verification by the auditors:

- Printouts of the books of account
- Stored for 7 years after the end of financial year
- Preparation of final accounts
- Audited financial statements
- Audit of accounts

3.6. Additional records and source documents

In addition to the books of account generated from the accounting software, and the supporting vouchers and documents, the following supplementary records and source documents relating to financial transactions are maintained at the WLF office, as and when required:

- Foreign Contributions Registers (as mandated by the FCRA)
- Cheque Issue register
- Receipts Book-FC
- Receipts Book-LC
- Bank Reconciliation file
- Bank statements file
- Cheque book / pay-in slip counterfoils
- Unused cheque books

- Fixed Assets Register
- Registration documents under various Acts
- Organizational statutory returns filed
- MoUs of donors
- Rent deeds and other contracts signed
- Investment and other title deeds
- Individual staff files
- Staff attendance register
- Salary register
- PF register
- Professional tax
- Stock register

The above is an illustrative list of supplementary records and documents maintained at the WLF. Additional records and documents may be maintained as required.

3.7. Accounting financial transactions

3.7.1. Types and Preparation of Vouchers

The accounting process starts with the preparation of a voucher, which is a basic accounting document. A voucher is prepared to record any financial transaction that takes place anywhere in the organization. A voucher is prepared for each and every entry made in the books of account. Following types of vouchers are generated at WLF:

- a) Cash / Bank Payment vouchers
- b) Cash / bank Receipt vouchers
- c) Contra vouchers
- d) Advance payment vouchers
- e) Journal vouchers – for non-cash/bank transactions including settlement of advances and rectification entries

All vouchers shall invariably contain the following information regarding the accounting transaction it represents:

- Voucher number
- Date of transaction
- Description of transaction
- Project / expenditure head (co-relating with the project / approved budget heads)
- Amount in words and figures
- Signature of recipient
- Signature of person prepared / verified /approved the payment
- DD/Ac Payee Cheque / online transfer details in case payment is by way of a demand draft or A/c payee cheque or online payments.
- Paid stamp with date and voucher number on the face of voucher and each supporting document.
- Appropriate approved supporting documents evidencing the payment made.

All the expenses can be incurred and subsequent payments made only after: (i) confirming the availability of budget provisions (ii) obtaining the approvals of appropriate authorities as specified in the manual, and (iii) deduction of tax at source, wherever applicable.

3.7.2. Preparing and processing payment vouchers by finance staff

- Prepare the payment vouchers accurately (as per the checklist above), including the amount to be paid
- Attach the all supporting documents which have been approved by the designated authority including requisition for goods or services, quotations, product specifications, justification notes, purchase order, bill or invoice from supplier, proof of receipt of goods or performance of services.
- Provide cross reference to other supporting documents such as rental agreements, consultant contract, work / service contracts, on the payment vouchers
- Ensure that the supporting documents sufficiently justify the payment
- Ensure that all arithmetic calculations are checked and details of the supporting documents match with each other
- Ensure that the appropriate amount of tax has been deducted at source, where applicable
- Ensure that the payment amount does not exceed the authority level of the employees authorizing the payment and get the payment voucher signed
- Once the cheque has been prepared / funds released, cancel all supporting documents to prevent reuse. Stamp each item and the voucher "PAID"

Certain consultancy and other contracts often require recurring payments to be made based on the original contract. To make recurring payments, it should to be ensured that all subsequent payments are tracked against the original contract, to determine the amount of tax to be deducted and advances to be adjusted, if any. A running total of payments are recorded on such payment vouchers to avoid errors and / or overpaying.

3.7.3. Attributes to be checked while preparing cheques / online payments

- The amount in words, and figures are identical, and match the amount paid
- The date matches the voucher date
- The payee's name is spelt correctly and matches the name on the contract
- All blank spaces on the payment amount, payee and date lines of the cheque are filled in to prevent alteration
- The cheque / online transfer is payable only to the Person or the organization as agreed to in the purchase contract.

3.7.4. Attributes to be checked before approving vouchers

For approving the payment vouchers, following attributes shall invariably checked:

- Whether there is a budget provision for the expenditure. In case of deviation from the budget provision, whether the grant contract permits such deviation. Any approval from the donor for those without any budget provision
- Whether prior approval has been taken, as per the approved delegation of powers for the expense incurred.
- Whether all the necessary supporting documents are available with the voucher.
- Whether the expenditure has been booked under an appropriate account head.
- Whether all necessary deductions have been made from the bill amount.
- Whether there is confirmation, that the party has fulfilled the consultancy / work order as per the stated terms and specifications.
- Whether there is confirmation that the relevant processes have been followed for the category of payment being made.

3.7.5. Procedure for issuing receipts

Official receipts are issued by WLF for amount received from donors and third parties. The following procedure is followed for issuing receipts:

- Receipts are serially numbered
- A duplicate copy of the receipt is retained on record
- The name and address of the donors / third party is mentioned on the receipt
- Each receipt is signed by a duly authorized person
- Separate receipt books are maintained for foreign and local contributions.

4. Internal Control Systems

Internal Control implies development of systems within the organization to ensure efficient functioning and minimize the possibilities of mismanagement and inefficiency. The nature and extent of Internal Control are developed based on the size, activities and geographical spread of the organization. The key elements of internal control in WLF are in the following areas:

- Delegation of financial approval authority
- Cash and bank management
- Advances management
- Payroll management
- Procurement procedures
- Inventory management
- Fixed asset management
- Investment management
- Financial management in donor-funded projects
- Partnerships and financial management
- Audit and financial reporting

4.1. Delegation of financial approval authority

- All the program and travel advances and other payments are made as per the authority listed under section 1.4. of this manual
- No new advance, either travel or program, is approved for the staff unless the previous advance is settled
- All payments against contracts / consultancies attracting statutory provisions of TDS will be applied on every payment made against such contracts

4.2. Cash Management

The cash is maintained with the person entrusted to handle cash. Separate cash record is maintained for the LC and FC funds. Cash is withdrawn with the approval of the Executive Director

- As a policy, WLF will not keep cash of more than Rs.5,000 (or) as per the prevailing laws. In exceptional cases, viz. during workshops, trainings, meetings, advances to staff etc. the cash exceeds the said limit. Any such deviation is noted, and details are provided to the statutory auditor.
- Any payment above Rs. 2,000 (or) as stipulated by the prevailing laws is to be made by account payee cheque or bank transfer unless otherwise there is an approval of the Executive Director for any deviation.

- All the cash payments are made only after the proper authorization and submission of relevant supporting documents.
- At the end of the day, the cash book is closed, and the physical cash book is verified with the balance available.

4.3. Bank management

- As per the requirement of FCRA, a separate designated bank account will be opened and operated for the foreign contribution remittances. All such contributions are deposited in that account.
- WLF may open FC utilization accounts in future for effectively implementing project / field offices. These utilization accounts may be used only for the utilization of funds. No grant is released to the partners from this account.
- A separate FCRA company is created in Tally, and all the ledgers are created as per the budget heads provided by the donors in the approved budgets.
- For the projects supported by local funds, a separate bank account is there. In case, a local donor of a particular project has a specific requirement to open a separate project account, the same will be done with the approval of BoT. At the end of the project, the account is closed.
- All payments above Rs. 2,000 (or) the amount as stipulated by the prevailing laws are made through account payee cheques or bank transfer.
- Monthly Bank Reconciliation Statements (BRS) is prepared for all the projects, all bank accounts and common BRS for the FC account. As per the donor requirement, the copy of the BRS is submitted.
- All inter project transfers are made by physical transfer of funds from one account to another. It also is ensured that there is no mixing of FC and LC funds.
- Cheques are signed by any two of the three signatories (one of the Trustees, Executive Director and one Staff) to the bank accounts

4.4. Advance Management

In WLF, the advances are of the following types:

1. Travel advance
2. Program advance
3. Advance to Contractors, Suppliers and consultants

4.4.1. Travel advance:

- The travel advance is released against the authorized and approved travel plan
- All the advances to the staff are given in cash / bank transfer from which they are expected incur the expenditure.
- No fresh advance is provided without the settlement of previous advance.
- All the advances have to be settled within 7-10 working days after the completion of the travel or before the next travel request, whichever is earlier.
- The settlement has to be made in the prescribed format which includes all the details viz. accommodation, per diems, train tickets, etc.
- The amounts spent on accommodation and claims of per diem etc., should be as per the norms prescribed in Annexure-3.
- The advance settlement has to be verified by the immediate line coordinator which will be subject to scrutiny by the finance and admin unit
- The copy of the visit report has to be submitted along with the claim settlement

form. Proof of sharing the visit report with respective local partner / organization in case of a project monitoring visit also shall be enclosed.

4.4.2. Program Advances

- These advances are given to the staff for conducting various budgeted and approved workshops, meetings, trainings, labour payments, program implementation expenditures etc. No program advances are given from the FC funds.
- The advances are paid in cash / bank transfer, and all effort will be made to keep the advance amount to the minimum by encouraging direct payments to the bank accounts of vendor / supplier / service providers
- All such advances are settled with the office by submitting proper supporting documents viz. travel claims of the participants, miscellaneous expenses during the meeting, etc.

4.4.3. Advances to Contractors, Suppliers and Consultants

- Advances are paid based on the terms of the contracts. All the necessary and applicable taxes are deducted at source before the payment is made. All such advances are adjusted, including the TDS, against the final payment made to the supplier.

4.5. Payroll management

The Finance and Admin unit prepares the payroll every month after verifying the details such as tax deductions to be etc., and obtains the approval of Executive Director. Then, Salaries are paid to staff to their bank accounts.

A copy of the appointment letter with all the details viz. designation, date of appointment, pay scale, gross, other benefits, etc., are filed in staff individual file and records maintained by Finance and Admin unit.

4.6. Procurement procedures

WLF has got well-defined procurement procedures that are robust, designed to suit the work of WLF and are comprehensive. These guidelines apply to all staff, consultants as well as BoT members. Annexure-2 elaborates the approved procurement guidelines.

These guidelines classify the procurement contracts into three major types – (1) Supplies, (2) Services and (3) Works. The procurement procedures detailed cover both office and program procurement aspects in the above three types of procurements. Also, they cover both capital assets and non-capital assets, within the type 'Supplies'.

4.7. Inventory management

The major component of stock in WLF would be in the form of stationery, reports and publications for private circulation. The stationery is procured after getting the staff requirements every month. A proper register is maintained for recording all the receipts and issues of stock. A separate list of all the publications is maintained.

4.8. Fixed Assets Management

Fixed asset is an asset, which is held with the intention of being used for the purpose of providing services; not for sale in the normal course of the activity and expected to be used for more than one financial year. Costing of fixed assets normally include Purchase price, any non-refundable taxes, applicable duties, any cost directly attributable to bring asset to working condition, installation costs and professional fee for same, if any. Following are the procedures followed in managing fixed assets:

4.8.1. Physical Assets

- All the physical assets which give a benefit that exceeds one year and the value of which exceeds Rs. 5,000/- are capitalized
- Asset received as 'Grant in Kind' will be recorded at the invoice price if such asset is new. In case of an old asset, a nominal value i.e. Re. 1 will be recorded in the fixed asset register.
- If the expected benefits of the assets do not change after repairs, such kinds of expenses are charged to the maintenance cost of the asset.
- If after repairs, the expected benefits of the assets increase the expected capacity, then such cost is added to the value of the asset.
- The insurance cover for all the movable and immovable assets is renewed every year.
- Any unutilized asset is put to disposal subject to the condition that it is proved beyond reasonable doubt that the repair of the asset is not justifiable.
- In case of assets purchased from the donor funds, the terms and conditions specified in the donor agreement are strictly followed.
- The sale or disposal value of the asset is shown as "Sale of asset", and the same is also reflected in the relevant FC reporting format, if the asset has been purchased from foreign contributions.
- The sale or disposal value of assets not capitalized is shown as miscellaneous income/sale of scrap.
- A detailed and comprehensive fixed asset register is maintained by WLF, with details of each capitalized asset such as date of purchase and invoice number, name of the supplier, voucher number, details of the model/brand, total cost of acquisition, location of the asset and name of the donor. The fixed assets register is updated at the time of purchase/sale/disposal/write off/transfer of asset.
- Physical verification of assets is done on an annual basis as on 31st March. The physical verification details are compared with the fixed asset register for reconciliation. Any discrepancy in the fixed assets is documented, reconciled and appropriate action initiated.

4.8.2. Intangible Assets

IndAS 38 defines any item as an asset when it has some current and future economic value. Since WLF does not derive any economic benefits from the intangible properties, such as patents, copyrights etc., WLF treats all the expenditures incurred on these intangible properties as revenue expenditures and the same are not capitalized as intangible assets. The patents obtained on grassroots innovative processes and technologies developed by WLF will be shared with governments, development agencies and communities freely without any monetary consideration.

4.9. Investment Management

WLF invests its project funds and its own resources in short term, medium term and long-term bank deposits with an objective to generate optimum revenues for the organization. In case of project funds, this will be done without hampering the functioning of the projects due to lack of funds at any point of time. Following are the guiding principles w.r.t. investments by WLF:

- The investments are made by WLF as per the provisions of the Income Tax Act 1961 and its subsequent amendments and any other Act applicable to NGOs from time to time
- The purpose of investment is to secure optimum returns while ensuring the safety of the funds invested
- Any requirement laid down by the donor in the grant letter/agreement is adhered to
- Such investments are generally held till maturity. In case of fund requirement in the projects, premature closure of deposits and investments are done
- The original certificates of the investments are maintained in safe custody with the Sr. Coordinator / Coordinator / Asst. Coordinator (F & A) or Executive Director
- The original certificates are verified as on 31st March every year.

4.10. Financial Management in Donor-funded Projects

WLF may receive local grant funds from local donor agencies and Government departments. Also, WLF may receive grants from foreign sources and donors towards contributing to its vision. WLF will adhere to the Governance, Financial management systems and internal control systems as defined by this manual, while respecting the donor-specific financial conditions agreed mutually and incorporated in the grant agreements. Following are the specific guidelines related to financial management of grants received from different donors:

- WLF follows fund-based accounting and all the ledger heads are created as per the approved budgets. In case of demand for any other system (such as, accrual-based accounting) incorporated in the grant agreements, WLF will comply.
- The project period of the projects varies based on the approval dates of the donors. WLF, while following the statutory accounting period i.e. FY from 1st April to 31st March, will submit donor specific audit / un-audit reports
- For each donor, a group/cost category is created in Tally, within which the Cost centres / ledgers are prepared as per the approved budget of the donor. This makes reporting to the donor simpler.
- Utilization of project funds is done in accordance with the approved / sanctioned budgets and activity plans
- Normal Budget guidelines are usually flexible enough to allow minor ($\leq 10\%$) line-item variations without prior approval from the Donor. If a larger change is anticipated, the prior written approval of the donor is sought
- Notional expenses are strictly prohibited in WLF, and none of the projects will have any notional expenses booked
- WLF opens all the project and global accounts for the scrutiny of the donor-appointed project auditors, as per the mutually agreed grant agreement
- Interest income is the amount of interest that has been earned during a specific time

period both on fixed deposits (FDs) and saving bank accounts. It will be reflected in the donor account based on the terms & condition mentioned in the signed agreement

- WLF ensures that all the reports are duly submitted in the prescribed formats within the stipulated time frame to various donors
- Reports are generated from the books of accounts. At any given point in time, these reports will always tally the WLF books of accounts
- Separate files for each donor and each project are maintained in Finance & Admin to file and keep available all the correspondence and reports.
- In case of any potential underutilization of funds in any project, efforts are made to secure a no cost extension for the project, the duration of which is based on the donor considerations and availability of funds. This is done at least 3 months before the actual closure of the project
- In such cases, where it is strongly felt that the next phase is important for furthering the objectives of the project, the planning process is started at least 6 months in advance so that the new phase is approved by the time the exiting phase comes to an end.
- All other necessary conditions prescribed by the donors in the grant agreement for the closure of the project are adhered to.
- No expenditure is incurred after the project period is over, unless otherwise it is specifically approved in writing by the donor.

4.11. Partnerships and Financial management

To achieve its objectives, WLF would collaborate with various Government Departments, institutions, autonomous academic, research and training institutions, International academic and technical agencies as per laws of the land and work towards better implementation of various welfare and development schemes of State and Central Governments within India. WLF would also collaborate with CSR arms of corporate and their industrial federations receive grants and use such corporate grants and CSR funds towards the objectives of the Trust.

The Trust may transfer part of its funds as grants to other non-government Organizations; community-based organizations and other agencies / institutions for specific purposes, to further its objects. All such transfers shall comply with the existing and future laws of land that will be in force at the time of fund transfer Partnerships are based on mutual trust, scope for mutual learning & sharing and complementarity of skills / expertise with ultimate objective of benefiting the target communities and contributing to the vision of the organization.

4.12. Audit and Financial Reporting

WLF will appoint a statutory auditor for every three years, letter of appointment issued every one year, based on the mutually agreed terms. WLF may also take the services of an internal auditor whenever the BoT feels necessary.

WLF will get its accounts audited on financial year basis. Depending on the specific donor requirements, auditing for 6 months, April to Sept and Oct to March, may also be done. The auditors are special invitees to the BoT and report on specific issues or provide guidance on strengthening the financial management systems of WLF. Following are the major tasks of the statutory auditor:

- Conduct audit of project specific accounts and consolidate and issue management letter and certify on half-year or annual basis as per the requirement
- Filing of Income tax returns and represents WLF for assessments.

- Consolidate all FC accounts and certify the FC statements and FC-6 return
- Provide advisory services on accumulations of funds and investments
- Enter into donor specific Audit Agreements as and when required on mutual terms and conditions
- Interact with the internal auditors and suggest ways for improvements in the areas of Financial Management Systems
- Provide advisory services on other legal aspects (FCRA, IT, PF, Gratuity, Professional Tax etc.)

5. Statutory Compliances

WLF ensures that it complies with all the statutory and legal compliances under all the Acts in which it is registered or whichever apply to it from time to time. The following are the Acts and their provisions which are currently applicable to WLF:

- The Income Tax Act, 1961 and its amendments time to time
- The Foreign Contribution (Regulation) Act, FC rules read along with any further amendments

6. Amendments and improvements

WLF may consider amendments and improvements to this finance manual from time to time as the organization and its programs evolve. WLF reserves all rights to made such changes and notify new provisions without any prior notice.

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Annexure -1
Registration details and Bank Accounts

PAN: AAATW4026G, TAN: HYDW01203G, Darpan ID: AP/2016/0105994

CSR registration with Min. of Corp. Affairs, Gol: CSR00015842, dt. 5.10.2021

80G registration: AAATW4026GF20216, valid till 30.08.2026

12AA registration: AAATW4026GE2016801, valid till 30.08.2026

FCRA registration: 368140132, dated 08.01.2024, valid for 05 years

Bank details (FC):

Primary FC bank account: 39955655169

IFSC: SBIN0000691, Main Branch

State Bank of India

11, Sansad Marg, New Delhi-110 001

Other FC bank account: SB Acc. 33260100007821

IFSC Code: BARB0TARNAK, Tarnaka Branch

Bank of Baroda

Tarnaka, Secunderabad, Hydeabad-500 017

Bank details (local):

Primary Local account: SB Acc. no. 33260100007631

IFSC: BARB0TARNAK Tarnaka Branch

Street no.1, Tarnaka, Secunderabad-500 017

All the bank accounts are operated by any two of the three authorized signatories viz. Trustee, Executive Director and Staff of WLF. In addition to the above bank accounts, WLF may open and operate project bank accounts for local funds and utilization accounts for FC funds when need arises from time-to-time.

Annexure - 2

Procurement Guidelines

1. Scope of procurement guidelines

These guidelines classify the procurement contracts into three major types – (1) Supplies, (2) Services and (3) Works. The procurement procedures detailed below cover both office and program procurement aspects in the above three types of procurements. Also, they cover both capital assets and non-capital assets, within the type 'Supplies'. The external persons, groups, traders or companies that provide procurements are classified as – Suppliers in case of supplies, service providers / consultants in case of services and Contractors in case of composite works.

2. Definitions

Supply contracts cover the purchase, leasing, rental or hire purchase (with or without option to buy) of products, equipment, machinery, office consumables etc.

Service contracts shall comprise hiring skilled / semi-skilled or un-skilled services from individuals or organizations using machines or without. Printing, DTP, evaluation studies, audits and technical assistance, recruitment of consultants for project implementation are some forms of service contracts.

Works contracts are composite type of contracts where both supply and service contracts are bundled involving men, material, machines and skills. Typically, construction works involving labour, materials are obvious examples of this type of contracts.

3. General principles to be followed in procurement

- WLF pursues green procurement policy that is committed to purchase of products, services and carrying out works that cause least harm to ecology and environment and are efficient in use of natural and other resources
- Quotations collected from vendors or contractors shall be complete in all respects with details of product or service specifications, units, costs, taxes, advance required, other terms and conditions etc.
- WLF, while looking for least cost quotes for the same specifications of products / services / works and prefers to follow 'value for money' approach. This means, WLF may opt for high quality and reputed brands with higher energy ratings though the cost of such products and services are higher. Care is taken that such costs do not deviate abnormally.
- Taxes are separately shown and paid by WLF, as much as possible
- All vendors are paid by cheque or through account transfers, except for the procurement values less than Rs.5,000
- All work orders issued against the quotes are valid for a specified time given in the work order
- Advance paid to the vendors / contractors / consultants / suppliers, based on mutually-agreed terms and conditions specified in the quotes and work orders
- PAN and bank details shall be provided by the service providers and work contractors at the time of submitting the quotations. TDS applies as per the IT act and rules in force and a certificate to that effect is issued on quarterly basis.

4. Process of procurements

- All program related supplies, services and works to be processed by the head of the respective project or staff involved, verified by the line coordinator and approved by ED. All office related procurements (assets, stationery, vehicle hiring etc.) to be processed by the finance staff and approved by ED
- It is the responsibility of respective program staff or finance staff to prepare a procurement justification note in the prescribed format that compares the different quotes and records the decisions as well as justification for the decisions taken
- Executive director approves all the procurements that are already budgeted in various projects for the year and issues Procurement Orders (POs). Executive Director is authorized to carryout procurements from organizational general funds, to a limit of Rs.100,000 in a financial year. For procurements above Rs. 100,000 from general funds, BoT approval is required.
- In case of procurements, that are not part of project budgets, approval of donors shall be sought before considering for processing by the respective program / finance staff
- The process of contracting the consultant for a particular project or task is initiated by the respective head of the project. In case of any institutional consultancy with respect to the overall governance processes of WLF, the ED will initiate the process.
- After the identification of consultant either through word of mouth or through advertisements in media, the ToR for the consultancy is prepared and shared with the consultant. This will also include the payment and the schedule for the consultancy.
- For all the contracts, a written document, signed by both the parties to the contract, is kept as evidence for the process. The applicable TDS, as per the norms, is deducted from the payments, and this is also specifically mentioned in the contract.

5. Guidelines for processing of procurements

Following table lists procedure to be followed for different types of procurements and their cost values:

Type of procurement	Worth in monetary terms	Process and required documents
<u>Office Supplies</u> (such as stationery, books, consumables etc.)	Worth below Rs.5000	Direct purchase, invoice/bill sufficient
	worth between Rs 5001/- and Rs 20000	Purchase using single quotation and a justification note
	for Rs 20001/- and above	Purchase through three quotations and a justification note
<u>Program Supplies</u> (Purchase of RO plant, seed, farm equipment and tools, lease or hire-purchase of machines, equipment etc.)	Below or equal to Rs.100,000	Single quotation and justification note
	Above Rs.100,000	Three quotations and justification note
<u>Office-level Services</u>	Below or equal to Rs.100,000	Single quotation and justification note

<i>(Travel services, printing, DTP, consultants to projects)</i>		
<u>Program-level Services</u> <i>(evaluation studies, technical advisory services, labour contracts involving local villagers, hiring of earth-moving machines, transport of silt using tractors owned by farmers etc.)</i>	Above Rs. 100,000	Three quotations and justification note
<u>Composite works</u>	Below or equal to Rs.200,000	Single quotation and justification note
<i>(Construction contracts involving labour, machines & material supplies; earthwork using men and machines etc.)</i>	Above Rs. 200,000	Three quotations and justification note

The above limits and process prescribed in the above Table may be relaxed in deserving and exceptional cases (few genuine example cases narrated below), with proper justification.

Classification and sub-classification of different procurement types above is done keeping in mind genuine and practical situations that development project face in implementing activities in remote villages. Most often, it is difficult to find multiple service providers (or) work contractors (such as services of a JCB earth moving machine or registered work contractors) having PAN and bank account from or around the project areas. Also, in many projects farmers from the village offer their own tractors to transport silt at a rate agreed in consensus in larger village meetings. In such cases, there is no possibility of collecting two or more quotes. In all such cases, Executive Director is authorized to approve any deviations with proper justification in writing.

Also, in project implementation, convergence with Government subsidy schemes may often be forged with an objective of maximizing benefits to the target communities and for ensuring effective service delivery. For example, micro irrigation scheme of Governments offers sizable subsidies to farmers. Seed and agricultural machinery, equipment etc., are offered on subsidy by the agriculture and other departments. Convergence with such schemes not only leverages Government funds to project beneficiaries but also reduces financial burden on the project on hand. Most of those Government schemes call open tenders and empanel / select manufacturers and vendors through well-established procedures. Convergence with such schemes involves either contributing additional financial support to the beneficiaries or facilitating the linkage of beneficiaries and their groups with the respective scheme offices for speedy processing and delivery of benefits. Therefore, WLF encourages such convergence efforts and further Executive Director is authorized to relax the above procurement norms.

Market prices of certain assets, such as PVC pipes, sprinkler units etc., keep changing every few days. In such cases, empanelment of vendors / suppliers / companies and long-term MoUs may be done by negotiating for a fixed price or flexi prices over a defined time

period. These MoUs will be treated as long-term quotations from those suppliers. Community partial financial contributions in purchase of program assets (pipes, agri tools etc.) or procurement of service (such as, engaging JCB for earth work) is common in various NRM-based projects. In such cases, the choice of company, type, model etc., will also be finalized in consultation with beneficiaries.

In donor funded projects, the procurement guidelines of the specific donor or project will be followed. In case of any exceptions, donor approval will be obtained and / or proper justification will be recorded.

Annexure – 3

Travel and Per Diem Guidelines

The staff of the organization and consultants engaged in the projects may have to travel to different places, both within the city / town where the WLF office is located or out-station in different parts of India. These guidelines apply to all the BoT members, staff as well as consultants, unless otherwise stated in their contracts.

1. Travel norms for local travel:

- Travel within the city / town where WLF is located with travel ending on the same day is classified as local travel. These travels are generally for meeting individuals or attending workshops / public meetings, organizing a meeting / event or any other work related to office.
- Generally, no travel advance is given to staff for local travel. On exceptional occasions, staff may access travel advance with the approval of Executive Director.
- Staff are allowed to use the modes bus, local train, auto, taxi or own two-wheeler / four-wheeler etc., for this purpose. On use of own two-wheeler staff are allowed a reimbursement of Rs. 7.50.00 / km and for four-wheeler @ Rs. 15.00 /km.
- Staff are required to submit travel reimbursement claims once in a month, accumulating all the local travels done in that particular month
- No per diem is paid for local travels by staff and consultants. However, actual cost of food or refreshments may be reimbursed to the staff.
- It is encouraged to opt for least cost and eco-friendly options while choosing between different models of local travel.

2. Travel norms for outstation travel:

Request for advance for the conduct of activities and for incurring travel expenditure to field areas is to be filled in as per the format, signed by the concerned staff, approved by the line coordinator/ Executive Director and submitted to the finance staff minimum three days in advance.

These advances, only from local funds, are given to the staff for conducting various budgeted and approved seminars, workshops, consultations, meetings, trainings, field level works etc. Advances are paid by cash / bank transfer to the staff and they need to be settled by the staff soon after returning from visit or completion of the activity, within a maximum of period of 10 days. No fresh advance will be allowed till outstanding amounts are settled. Program / visit report along with the supporting bills for the expenditures has to be approved by the concerned line coordinator.

The Line coordinator should ensure the submission of report as required along with the statement of accounts. The concerned staff is expected to share a copy of the visit report with his /her observations and recommendations, in a prescribed format, to the local partner, in case of a visit to monitor a partnership project.

2.1. Mode and class of travel:

- Each staff member is eligible to travel in 3 tier AC by train or AC bus for official visit to the field or for other purposes. Executive Director may allow staff members to travel on higher class or air travel depending on the urgency and requirement
- Executive Director and all Trustees are eligible for 2 tier AC by train, Air travel and / or AC vehicles for outstation travel depending on the urgency and requirement
- Staff members are encouraged to use public transport for outstation travel and hire local vehicles for visits to different fields/places at the arrival location

2.2. Per diem and accommodation

WLF meets the food, water and incidental costs incurred by its staffs during their official outstation visits. Also, WLF would reimburse the actual costs of accommodation incurred by the staffs based on the following defined guidelines.

When the staffs happen to travel on a holiday, WLF will compensate them with additional per diem for loss of a holiday to the staff. Alternatively, the concerned staff may choose to avail a 'compensatory off' soon after coming back from the visit, but before the end of the month in which the travel day falls.

When a staff chooses to stay with relatives/friends, such stay may be encouraged and 25% of the maximum limit of eligible hotel accommodation as well as actual cost of local conveyance may be reimbursed to them. Apart from this, staffs of same gender are encouraged to occupy shared accommodation in hotels so that the financial resources of the organization are used more judiciously.

Table below gives per diem and accommodation rates for WLF staff and consultants:

Sl.	Categories	Per Diem (Rs.)	Additional Per Diem for travel on holidays (Rs.)	Accommodation Tariff including taxes per day (Rs.)
1	State capitals / Metros	1000	400	5000
2	District headquarters	800	300	4000
3	Places other than the above	600	200	3000
4	Abroad travel	90 Euros	Nil	Max. of 400 Euros

- The per diem claim will be in the ratio of 1:2:2 for Breakfast, Lunch and Dinner respectively and as applicable. Following trifurcation does not apply to additional per diem and staff may claim the same in full.

Per Diem	Breakfast	Lunch	Dinner
Rs.600	120	240	240
Rs.800	160	320	320
Rs.1000	200	400	400

2.3. Other Travel norms:

- Travel advances have to be shown as NIL at the end of year i.e. as on 31st March, and hence any travel made during the last week of March has to be settled before 31st March
- The request for booking train/bus/flight shall be given minimum seven days in advance in the travel booking requisition format duly filled in, signed and approved by the line coordinator
- Request for cancellation of tickets shall be given to the Fin and Admin staff in writing indicating the reason for cancellation and approved by the line manager. If the concerned person is in the field traveling, then s/he should intimate the admin over the phone and submit the concerned format once he/she is back from the field. Reason for cancellation should be valid and if not the staff member becomes responsible for the payment towards cancellation and any loss of amount.
- Prior permission of the line coordinator along with the Executive Director is required if any of the family members are accompanying the staff on official travel. In such cases, the concerned staff member has to bear all the expenses related to travel, accommodation, food, etc. The support to the accompaniment in the case of children below five years of age would be considered for women staff. The request for accompaniment should be given in writing along with tour advance request to the line coordinator. This provision shall be availed only when it is absolutely necessary and as a matter of special provision
- If travel expenses are reimbursed by the host organization, the amount has to be paid back to WLF.
- The entertainment of guests/partners during travel/field visit will not be reimbursed unless it is related to a program accompanied with due report/authentication
- Local conveyance in the field areas shall claimed as per actual costs supported by bills

ANNEXURE – 4

CHART OF ACCOUNTS

1. Introduction

Water and Livelihoods Foundation (WLF) explained about its significant policies, accounting systems, internal control systems and procurement guidelines very elaborately in the finance manual.

A brief explanation is given about Chart of accounts in section 3 in the finance manual. Here a detailed explanation is given on chart of Accounts and this document is attached to the finance manual of WLF as Annexure - 4.

2. Chart of Accounts

Chart of accounts is an organizational tool that lists by category/nature and line item all of the financial transactions that Water and Livelihoods Foundation (WLF) Trust conducted during the specific financial year or accounting period. It is very useful tool which provides detailed financial information. Chart of accounts gives more clarity and strengthen financial system of the organization. A typical chart of accounts for this trust having four primary types of accounts:

1. Assets
2. Liabilities
3. Income
4. Expenditure

WLF will create two separate companies in Tally Prime accounting software to record all the days to day financial transactions. The two companies are given below:

- a. Foreign company - for foreign contributions (FC)
- b. Local Company- Local contributions (LC)

3. Accounting treatments:

- ❖ There will only be one designated bank account to receive the foreign contributions from various foreign individuals and donor agencies.
- ❖ A separate utilization account will be opened on the name of Water and Livelihoods Foundation for each donor for the approved projects. If not insisted by donor, existing local or other FC accounts may be used for projects, as the case may be.
- ❖ General Ledgers will be created in Tally prime accounting software as per the standard accounting budget heads and line items approved by the donors
- ❖ The budget line items will be divided in to sub ledgers also details sub items based on the project activities.
- ❖ All the entries will be done in the Tally software as per the chart of accounts provided in the table below

- ❖ The vouchers are the base for whole accounting system. WLF will ensure proper supporting documents for all the payments made through the Bank and Cash which are verifiable
- ❖ Paid stamp will be done on the vouchers as well on the supporting documents to avoid double payments

4. Major General Ledgers & Sub ledgers:

Chart of Accounts (Ledgers) for Water and Livelihoods Foundation				
Sl.	Code No.	Name of the Ledger	Under Group	Details
		Assets		
I	1000	Fixed Assets		
1	1010	Furniture, Fixtures & Fittings	Assets Expensed & Consumables	Table, Chair, Fan, Work stations, partitions etc
2	1011	Computer Hardware	Assets Expensed & Consumables	Mousses, Keyboard, routers, printers, scanners etc
3	1012	Computer Software	Assets Expensed & Consumables	Windows software, Anti-virus
4	1013	Office Equipment	Assets Expensed & Consumables	AC, Water filters, coolers, Invertors, UPS
5	1014	Vehicles	Assets Expensed & Consumables	Vehicle expenses
II	1050	Current Assets		
6	1051	Investment	Current Assets	Fixed Deposits
7	1060	Debtors	Current Assets	All advance payments to vendors
8	1070	Security Deposit	Current Assets	Rental Deposits
9	1080	Receivables	Current Assets	TDS, loans Misc etc.
10	1090	Cash & Bank	Current Assets	Cash & Bank deposits
III	2000	Liabilities		
11	2010	Tax Payables	Duties & Taxes	As per income tax
12	2020	Reserves & Surplus	Current liability	Accumulation of income/Surplus
13	2030	Other Payables	Current Liabilities	Other than taxes & loans

IV	3000	Direct Income		
14	3100	Grant Income	Grant Income	Grant Income - Base code
15	3110	Foreign Grant Income	Grant Income	Foreign grant
16	3120	Local Grant Income	Grant Income	Local grant
17	3210	Donations	Non-Grant Income	Individual donors, non-committed deliverable receipts
18	3220	Gift in Kind	Non-Grant Income	Any donations received in Kind
19	3230	Farmer Contributions	Non-Grant Income	contribution received from farmers
20	3240	Contribution from CBOs	Non-Grant Income	contribution received from Community Based organizations
21	3250	Support Services	Non-Grant Income	Income from other than projects
22	3260	Other Income	Non-Grant Income	Other than above
23	3270	Contribution from staff	Non-Grant Income	Consultancy contribution
24	3280	Contribution from BoT	Non-Grant Income	Contribution from Trustees
V	3400	Indirect Income		
25	3410	Bank Interest	Non-Grant Income	Interest income from Bank
26	3411	Bank Interest Income on FDR	Non-Grant Income	Interest on FDRs
27	3412	Bank Interest Income on Saving account	Non-Grant Income	Interest on SB accounts
28	3500	Other Income	Non-Grant Income	Newspaper sale, scrap sale, any others
VI	4000	Direct Expenses		
	4000	Program Expenditure		
29	4001	Water Conservation	Program expenses	Soil & water conservation, Pipes, Sprinklers, WHS, Bore well recharge etc.

30	4031	Sustainable Agriculture	Program expenses	Organic farming, crop diversification and allied activities
31	4051	On-farm Livelihoods Promotion	Program expenses	Processing of crop produce, livestock, fishery etc.
32	4100	Staff Costs-Program Expenditure	Staff Costs-Program	Base Code - No Entries Allowed
33	4110	Salaries	Staff Costs-Program	Salary related
34	4120	Medical reimbursement	Staff Costs-Program	Salary related
35	4130	Local Travel Allowance	Staff Costs-Program	Salary related
36	4140	Maternity Allowance/expenditure	Staff Costs-Program	Salary related
37	4151	Employee Provident Fund Expenses	Staff Costs-Program	Salary related
38	4152	Employer Provident Fund Expenses	Staff Costs-Program	Salary related
39	4153	Gratuity Expenses	Staff Costs-Program	Salary related
40	4154	Professional Tax Expenses	Staff Costs-Program	Salary related
41	4158	PF Admin Charges - Other than Program	Staff Costs-Program	Salary related
42	4210	Staff Recruitment Cost	Staff Costs-Program	Any staff recruitment costs
43	4220	Staff Insurance	Staff Costs-Program	Staff insurance payment costs
44	4230	Staff Welfare-Refreshment	Staff Costs-Program	Farewell, New joiners, Birthday exp, Festival expenses, engagement costs
45	4300	Staff Costs- Admin & Finance	Staff Costs- Other than Program	Base Code - No Entries Allowed

46	4310	Salaries	Staff Costs- Other than Program	Salary related
47	4320	Medical reimbursement	Staff Costs- Other than Program	Salary related
48	4330	Local Travel Allowance	Staff Costs- Other than Program	Salary related
49	4340	Maternity Allowance/expenditure	Staff Costs- Other than Program	Salary related
50	4350	Employee Provident Fund Expenses	Staff Costs- Other than Program	Salary related
51	4351	Employer Provident Fund Expenses	Staff Costs- Other than Program	Salary related
52	4352	Gratuity Expenses	Staff Costs- Other than Program	Salary related
53	4353	Professional Tax Expenses	Staff Costs- Other than Program	Salary related
54	4354	PF Admin Charges - Other than Program	Staff Costs- Other than Program	Salary related
55	4400	Capacity Building events	Trainings, Meetings, Conference and workshops etc.	Any meeting, trainings, workshop expenses, staff meetings, staff retreat, annual events
56	4410	Domestic Travel	Travel	Outstation - Air & Train Travel, Per diem, car hire charges, Accommodation & Misc part of capacity building events
57	4420	Local Travel	Travel	Local travel, local conveyance, Community team travel costs, mileage costs as part of capacity building events

Administrative expenditure				
58	4510	Postage and Courier	Communication	Postage, courier and etc
59	4520	Telephone & Internet	Communication	Land line, leased lines costs
60	4530	Mobile Telephone & Data costs	Communication	Staff mobile, data cards
61	4610	Rent	Premises and Office Costs	Office Rent
62	4620	Utilities	Premises and Office Costs	Power, Water expenses
63	4650	IT equipment-Repair & Maintenance	Hardware and equipment Repair & Maintenance	Printer, laptop, computer repairs, AMC Charges
64	4651	Software Maintenance	Hardware and equipment Repair & Maintenance	Software costs, software AMC charges
65	4670	Office Repairs and Maintenance	Hardware and equipment Repair & Maintenance	Office Repairs and Maintenance. Maid services, office boy expenses
66	4710	Office Stationery	Printing Stationary &	Stationery Items
67	4720	Printer and Photocopier	Printing Stationary &	Cartridges, Xerox
68	4730	External Printing and photocopy	Printing Stationary &	Books printing, Vouchers Scanning
69	4750	Insurance	Insurance, Books & Journals	Assets Insurance, Cash Insurance etc.
70	4760	Books, Journals, On-line subscriptions	Insurance, Books & Journals	Newspapers, Magazines and subscriptions
71	4800	Support Service expenses	Administrative and Professional Services	No entries are allowed
72	4810	Membership Fees	Administrative and Professional Services	External meetings memberships

73	4820	Financial Audit Fees	Administrative and Professional Services	Statutory Audit
74	4830	Other Audit Fees	Administrative and Professional Services	Internal and external audit expenditures
	4900	Indirect Expenditure		
75	4900	Board of Trustees Meeting expenses	Administrative and Meeting expenses	Expenditure incurred for Board meetings
76	4910	Bank Charges	Bank Charges & Others	DD Charges, RTGS, NEFT Charges etc.
77	4920	Interest & Penalty	Bank Charges & Others	Late Fee, Interest on TDS, PF, PT etc.
78	4931	Depn Furniture, Fixtures & Fittings	Depreciation-Fixed Assets	Depreciation charges
79	4932	Depn Computer Hardware	Depreciation-Fixed Assets	Depreciation charges
80	4933	Depn Computer Software	Depreciation-Fixed Assets	Depreciation charges
81	4954	Depn Office Equipment	Depreciation-Fixed Assets	Depreciation charges

The above table is an indicative only but not a comprehensive. There may be an update in the chart of accounts based on the project guidelines time to time.